

PERMANENT COMMUNITY IMPACT FUND BOARD MEETING

Department of Workforce Services
Housing and Community Development Division
Salt Lake City, Utah

Minutes

Thursday, December 8, 2016

Members Present

Keith Heaton
David Damschen
Steve Farrell
Jae Potter
Gregg Galecki
Jim Matson
Ron Winterton
Naghi Zeenati
Garth "Tooter" Ogden
Michael McKee

Chairman
State Treasurer
State Board of Water Resources
Carbon County
State Board of Water Quality
Five County Association of Governments
Uintah Basin Association of Governments
State Transportation Commission
Six County Association of Governments
Uintah County

Excused Members

Bruce Adams

Southeastern Utah Association of Local Governments

Staff and Visitors

Jonathan Hardy
Candace Powers
Gayle Gardner
Shad West
Jennifer Domenici
Brenda Brown
Katherine Smith
Kyle Slaughter
Flint Timmons
Paul Moberly
Greg Paras
Casey Cameron
Wade Faraway
Karl Rasmussen
Daren Cottam
Jaden Sorenson
Ryan Savage
Randell Obray
Bret McCall
Tom Sorensen
Greg Todd
Ed Shaw
Kelly Crane
Mike Hansen
Russell Seeley

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Department of Workforce Services
Department of Workforce Services
Attorney General's Office
ProValue Engineering
Longpoint Consulting
Centerfield City
Centerfield City
Cove Special Service District
Centerfield City
Centerfield City
Duchesne City
Best Engineering
Ensign Engineering
Rural Community Consultants
Price City

Miles Nelson
Travis LeFevre
Brook Wiseman
Beth Wondimu
Cris Rhead
Kevin Yack
Travis Kyhl
Michael Bryant
Burke Williams
Paul Christensen
Doug Nielsen
Michael Grange
Scott Archibald
Sim Weston
Shannon Ellsworth
Marilyn Anderson
Brian Carver
Austin Atkinson
Nathan Harrison
Joe Piccolo
Scott Chesnut
Nick Tatton
Gordon Walker

Price City
Tropic City
Tropic City
Division of Water Quality
Housing and Community Development
Uintah Basin Association of Governments
Six County Association of Governments
Southeastern Association of Local Governments
Redmond Town
Redmond Town
Sunrise Engineering
Utah Division of Drinking Water
Sunrise Engineering
Town of Laketown
Rural Community Consultants
Epic Engineering
Bear River Association of Governments
Sunrise Engineering
Department of Workforce Services
Price City
Town of Torrey
Price City

WELCOME

The Permanent Community Impact Fund Board (CIB) Meeting was held Thursday, December 8, 2016, at 1385 South State Street, Salt Lake City, Utah and called to order at 8:30 a.m. by Chairman Keith Heaton.

Chairman Heaton acknowledged Gordon Walker at today's meeting. Mr. Walker was the Director of Housing and Community Development through May 2015 and served as chairman to the Permanent Community Impact Fund Board.

The next meeting is scheduled for February 2, 2017 in Salt Lake at the Multi-Agency State Office Building (MASOB). There will not be a January meeting.

ADMINISTRATIVE ITEMS

Financial Review

Candace Powers reviewed the status of the funds for today's meeting. There are seven new projects, and one Special Consideration project on today's agenda. Cedarview Montwell Special Service District has requested that their application discussion be postponed until a subsequent meeting.

I. INTRODUCTIONS

Chairman Heaton welcomed everyone and asked the Board members and staff to give introductions.

II. APPROVAL OF MINUTES

Chairman Heaton requested a motion to approve the minutes from the November 3, 2016 meeting.

Naghi Zeenati made and Garth Ogden seconded a motion to approve the minutes of November 3, 2016 meeting. The motion carried unanimously.

III. BOARD MEMBER DISCUSSION

1. The Board discussed the composition of the 11 member Board, federal land statistics, the Mineral Lease, Bonus, Large Infrastructure and Throughput funds – sources and limitations of use, an explanation of the information contained in the review sheets, the application process, the funding and reimbursement processes.
2. The Rural Planning Group (RPG) presented their 2016 Annual Progress Report.

The Board asked how they determine which communities to visit/help.

The RPG explained they reach out to a community by talking to leadership, community and community leaders to assist in providing for the entity to develop their own plan.

The Board suggested presenting RPG goals and projects to the Board for discussion prior to providing community assistance and acknowledged the value of the RPG for the entire state in providing leadership and helping communities help themselves.

Chairman Heaton asked the Board for suggestions as to the future role of the RPG.

The Board requested that the RPG present a compilation of what they would like to accomplish to be most beneficial.

Chairman Heaton indicated that the funding for the AOG Regional Planning Program (RPP) was to provide direct benefit for the investment on funding and to provide a review on planning projects. The RPP might find it challenging to provide unbiased review for projects in their area. The RPG was tasked to review planning applications from a different perspective in their responsibility to the Board. The RPG complies with state mandates on general planning “to furnish any other technical assistance and advice that they have available to the municipality without additional cost to the municipality”.

IV. NEW PROJECTS

1. Cedarview Montwell Special Service District (Duchesne County)

Cedarview Montwell Special Service District presented a funding assistance request for a \$165,000 grant to obtain rights of way for all tribal land crossings in the District to accommodate water system expansion.

The applicant contacted the CIB staff requesting the application be held until a future meeting.

2. Cove Special Service District (Sevier County)

Cove Special Service District presented a funding assistance request for a \$1,210,000 grant and a \$375,000 loan for 30 years at 1.0% interest (total \$1,585,000) to develop water system improvements including well exploration and development, a new 300,000 gallon concrete water tank, and replacing undersized 6” waterlines with an estimated 15,691 liner feet of 8” waterlines, and an estimated 60 auto read meters. The applicant is contributing \$15,000 cash.

The applicant stated that the project includes well exploration, developing a new well, constructing a new 0.3 million-gallon concrete storage tank, and replacing undersized waterlines with 8” waterlines.

The District provides culinary water to 57 connections on the system. The revenue from the water usage is their only source of revenue. Once the new well and tank are in place, the old well and tank will be reconditioned.

The Board asked about the water connections to the dairy.

The applicant indicated that the dairy was established when the old system was organized in 1980 and has increased in size, using a good majority of the water which at times, places a burden on the supply. During the summer the dairy accounts for 60% of the water and 80% in the winter. The dairy pays a reduced rate.

The Board asked if the dairy used culinary water or secondary water.

The applicant indicated they use culinary water. If the dairy used a different water source, additional water would still be needed for fire protection purposes.

The Board suggested an increased water rate for the dairy to accommodate debt services and recommended placing the project on the Pending List suggesting the applicant approach the Division of Drinking water for project funding.

Mike McKee made and David Damschen seconded a motion to place the project on the Pending List as a \$375,000 loan for 30 years at 1.0% interest and a \$1,210,000 grant (total \$1,585,000). The motion carried unanimously.

3. Town of Redmond (Sevier County)

The Town of Redmond presented a funding assistance request for a \$117,500 grant for road improvements to include pulverizing, reshaping and placing untreated base on 100 West 250 North to Cemetery Road and installing 3" of hot mix asphalt (HMA) from 250 North to Cemetery Road plus grading the drainage ditch and placing 64,000 square yards of chip seal on the streets. The applicant is contributing \$117,500 cash.

The applicant indicated that part of 100 West Street is severely deteriorated. 100 West is a county road and is heavily traveled by the salt mine trucks and employees. The road is poorly shaped causing accumulation of water and ice in the winter creating holes and edge deterioration. Other town roads need to be chip sealed.

The Board commended the Town for saving a large amount of their B & C Road funding, but suggested the Town take 100% loan, maintain their cash and use the cash and B & C Road funding as the revenue source for repayment.

The applicant preferred to use their cash for this project and receive grant funding. Rather than taking a loan, they would keep patching the roads.

The Board discussed project funding.

Naghi Zeenati made and Steve Farrell seconded a motion placing the project on the Priority List for funding consideration at the February 2, 2017 funding meeting as a \$117,500 grant. The motion carried with Gregg Galecki opposed.

4. Centerfield City (Sanpete County)

Centerfield City presented a funding assistance request for a \$975,000 grant and a \$335,000 loan for 5 years at 1.5% interest (total \$ 1,310,000) for street improvements to include chip sealing 11.85 miles, and pulverizing, reshaping and double chip sealing 3.80 miles of Centerfield City streets. The applicant is contributing \$165,000 cash.

The applicant indicated that the roads are severely deteriorated. The B & C Road funds they receive do not allow the City to maintain or improve roads properly.

The Board discussed the project and recommended funding as half grant and half loan with a term of 10 years at 2.5% interest.

Mike McKee made and Ron Winterton seconded a motion placing the project on the Priority List for funding consideration at the February 2, 2017 funding meeting as a \$655,000 loan for 10 years at 2.5% interest and a \$655,000 grant (total \$1,310,000). The motion carried unanimously.

5. Town of Tropic (Garfield County)

The Town of Tropic presented a funding assistance request for a \$180,000 grant and a \$270,000 loan for 10 years at 2.5% interest (total \$450,000) to improve grading and drainage on 9.3 miles of roads, resurfacing 6.75 miles of roads and adding an all-weather surface for 2.55 miles of roads. The applicant is contributing \$150,000 cash.

The applicant stated that Tropic has 26.6 miles of roadway damage. There is also a need for storm drainage to prevent further erosion and flooding of existing infrastructure. The goal is to begin the project in May and end before the Town's 24th of July celebration. The requested funding package allows the use of 50% of the B & C Road funds as revenue toward loan repayment and maintains 50% of the B & C funds to help with future maintenance.

The Board discussed project funding

Jim Matson made and Naghi Zeenati seconded a motion placing the project on the Priority List for funding consideration at the February 2, 2017 funding meeting as a \$270,000 loan for 10 years at 2.5% interest and a \$180,000 grant (total \$450,000). The motion carried unanimously.

6. Town of Torrey (Wayne County)

The Town of Torrey presented a funding assistance request for a \$1,448,000 grant and a \$750,000 loan for 30 years at 1.5% interest (total \$2,198,000) to upgrade 33,900 feet of 10" and 8" HDPE and PVC pipe from the mountain springs to the town water tanks. Several locations will cross Sand Creek and the pipe will be placed aurally or be encased in flowable fill and buried deeply. A water line loop of 1,300 feet of 8" PVC will be installed to help with water pressure. The chlorinator will be repaired and will be changed from gas fed to tablet fed. The applicant is contributing \$15,000 cash.

The applicant stated that Torrey is growing and is in need of a secure water source. The current 6" transmission line is under sized which creates hydraulic problems. The project would replace the 6" line with a 10" line.

The Board asked if Torrey had contacted the Division of Drinking Water for funding.

The applicant stated they had not contacted the Division of Drinking Water.

The Board suggested that the applicant contact the Division of Drinking Water for project funding.

Jae Potter made and David Damschen seconded a motion placing the project on the Pending List. The motion carried unanimously.

7. Town of Laketown (Rich County)

The Town of Laketown presented a funding assistance request for a \$15,000 grant to develop a study which includes a water plan that encompasses water rights, water sources, water storage, water treatment and water distribution. The study will also include a water model and impact fee analysis. The applicant is contributing \$15,000 cash match.

Naghi Zeenati made and Steve Ferrell seconded a motion placing the project on the Priority List for funding consideration at the February 2, 2017 funding meeting as a \$15,000 grant. The motion carried unanimously.

8. Six County Infrastructure Coalition

The Six County Infrastructure Coalition withdrew their application for the funding of the Brown's Park Swinging Bridge Rehabilitation project located in Colorado. The project is ineligible for funding from Mineral Lease funds as the project is not within the State of Utah.

V. REQUEST FOR SPECIAL CONSIDERATION

The Chairman called for a motion to hear the request for Special Consideration.

David Damschen made and Garth Ogden seconded a motion to hear this project. The motion carried unanimously.

1. Price City (Carbon County)

Price City presented a funding assistance request for a \$1,300,000 grant to replace a 10" culvert, gas main and water main on 400 South at Meads Wash, replacing an upstream apron, wing walls and the headwall on 100 North at Meads Wash, reinforce syphon on Meads Wash at Price Canal crossing, repair 12" water supply line on Meads Wash, install grade protections and reinforce 4" PVC waterline at Grassy Trails, and install an underground storm drain at 800 North. The applicant is contributing \$200,000 cash.

The applicant stated that in late September two storm events caused widespread flooding throughout Carbon County and Price City, and the City sustained significant damage to infrastructure along Meads Wash and other areas. There was major damage to a 12" water main that supplies water to approximately one third of the City. The existing 10" diameter culvert at 400 South and Meads Wash also collapsed causing water damage to property and caused the soil under the road surface to collapse exposing a natural gas main line.

The applicant indicated that roads above the culvert remain closed. The infrastructure requires attention prior to future storm events which may cause further damage. Other projects for Price City have been put on hold and funds have been reauthorized.

The Board asked about future flooding prevention measures.

The applicant stated that 40% of the requested funding will go toward flood mitigation. The project does not qualify for FEMA funding. The applicant had checked with NRCS and DEQ. NRCS does not have money available to fund this project and DEQ does not accept 100% grant applications.

The Board discussed the project and funding.

Naghi Zeenati made and Garth Ogden seconded a motion to suspend the rules and fund the project as a \$325,000 loan for 20 years at 2.5% interest and a \$975,000 grant (total \$1,300,000). The motion carried unanimously.

VI. ADJOURNMENT

The next regularly scheduled meeting of the Permanent Community Impact Fund Board will be on Thursday, February 2, 2017 at the Multi-Agency State Office Building, 195 North 1950 West, Salt Lake City, Utah.

The meeting adjourned at 11:30 a.m.

Submitted by:
Jennifer Domenici